

**Senate File 2151 - Enrolled**

Senate File 2151

AN ACT

RELATING TO ALCOHOLIC BEVERAGE CONTROL AND MATTERS UNDER  
THE PURVIEW OF THE ALCOHOLIC BEVERAGES DIVISION OF THE  
DEPARTMENT OF COMMERCE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 123.9, subsection 5, Code 2016, is  
amended to read as follows:

5. To grant and issue beer permits, wine permits, special  
permits, liquor control licenses, and other licenses; and to  
suspend or revoke all such permits and licenses for cause under  
this chapter.

Sec. 2. Section 123.10, subsections 4 and 6, Code 2016, are amended to read as follows:

4. Prescribing forms or information blanks to be used for the purposes of [this chapter](#). ~~The division shall prepare, print, and furnish all forms and information blanks required under [this chapter](#).~~

6. Providing for the issuance and electronic distribution of price lists which show the price to be paid by class "E" liquor control licensees for each brand, class, or variety of liquor kept for sale by the division, providing for the filing or posting of prices charged in sales between class "A" beer and class "A" wine permit holders and retailers, as provided in [this chapter](#), and establishing or controlling the prices based on minimum standards of fill, quantity, or alcoholic content for each individual sale of intoxicating liquor or beer as deemed necessary for retail or consumer protection. However, the division shall not regulate markups, prices, discounts, allowances, or other terms of sale at which alcoholic liquor may be purchased by the retail public or liquor control licensees from class "E" liquor control licensees or at which wine may be purchased and sold by class "A" and retail wine permittees, or change, nullify, or vary the terms of an agreement between a holder of a vintner certificate of compliance and a class "A" wine permittee.

Sec. 3. Section 123.30, subsection 4, Code 2016, is amended to read as follows:

4. Notwithstanding any provision of [this chapter](#) to the contrary, a person holding a liquor control license to sell alcoholic ~~liquors~~ beverages for consumption on the licensed premises may permit a customer to remove one unsealed bottle of wine for consumption off the premises if the customer has purchased and consumed a portion of the bottle of wine on the licensed premises. The licensee or the licensee's agent shall securely reseal such bottle in a bag designed so that it is visibly apparent that the resealed bottle of wine has not been tampered with and provide a dated receipt for the resealed bottle of wine to the customer. A wine bottle resealed pursuant to the requirements of [this subsection](#) is subject to the requirements of [sections 321.284 and 321.284A](#).

Sec. 4. Section 123.32, subsection 3, Code 2016, is amended to read as follows:

3. *Licensed premises for local events.* A local authority may define, by motion of the local authority, licensed premises which shall be used by holders of liquor control licenses, beer permits, and wine permits at festivals, fairs, or celebrations which are sponsored or authorized by the local authority. The licensed premises defined by motion of the local authority shall be used by the holders of five-day or fourteen-day class "B", class "C", special class "C", or class "D" liquor control licenses, or five-day or fourteen-day class "C" native wine or class "B" beer permits only.

Sec. 5. Section 123.34, Code 2016, is amended to read as follows:

**123.34 Expiration — seasonal, five-day, or fourteen-day license or permit.**

1. Liquor control licenses, wine permits, and beer permits, unless sooner suspended or revoked, expire one year from date of issuance. The administrator shall give sixty days' written notice of the expiration to each licensee or permittee. However, the administrator may issue six-month or eight-month seasonal licenses, class "B" wine permits, or class "B" beer permits for a proportionate part of the license or permit fee or may issue fourteen-day liquor control licenses, native wine permits, or beer permits as provided in [subsection 2](#). No refund shall be made for seasonal licenses or permits or for fourteen-day liquor control licenses, native wine permits, or beer permits. No seasonal license or permit shall be renewed except after a period of two months.

2. The administrator may issue fourteen-day class "A", class "B", class "C", special class "C", and class "D" liquor control licenses and fourteen-day class "B" beer and class "C" native wine permits. A fourteen-day license or permit, if granted, is valid for fourteen consecutive days, but the holder shall not sell on the two Sundays in the fourteen-day period unless the holder qualifies for and obtains the privilege to sell on Sundays contained in [section 123.36, subsection 5](#), and [section 123.134, subsection 5](#).

3. The fee for a fourteen-day liquor control license or

beer permit is one quarter of the annual fee for that class of liquor control license or beer permit. The fee for the privilege to sell on the two Sundays in the fourteen-day period is twenty percent of the price of the fourteen-day liquor control license or beer permit. The fee for a fourteen-day class "C" native wine permit is the permit fee provided in section 123.179, subsection 4.

4. The administrator may issue five-day class "A", class "B", class "C", special class "C", and class "D" liquor control licenses and five-day class "B" beer and class "C" native wine permits. A five-day license or permit is valid for five consecutive days, but the holder shall not sell alcoholic beverages on Sunday in the five-day period unless the holder qualifies for and obtains the privilege to sell on Sunday pursuant to [sections 123.36](#) and [123.134](#).

5. The fee for the five-day liquor control license or beer permit is one-eighth of the annual fee for that class of license or permit. The fee for the privilege to sell on a Sunday in the five-day period is ten percent of the price of the five-day liquor control license or beer permit. The fee for a five-day class "C" native wine permit is the permit fee provided in section 123.179, subsection 4.

Sec. 6. Section 123.38, subsections 1 and 2, Code 2016, are amended to read as follows:

1. A special ~~liquor~~ permit, liquor control license, wine permit, or beer permit is a personal privilege and is revocable for cause. It is not property nor is it subject to attachment and execution nor alienable nor assignable, and it shall cease upon the death of the permittee or licensee. However, the administrator of the division may in the administrator's discretion allow the executor or administrator of a permittee or licensee to operate the business of the decedent for a reasonable time not to exceed the expiration date of the permit or license. Every permit or license shall be issued in the name of the applicant and no person holding a permit or license shall allow any other person to use it.

2. Any licensee or permittee, or the licensee's or permittee's executor or administrator, or any person duly appointed by the court to take charge of and administer the

property or assets of the licensee or permittee for the benefit of the licensee's or permittee's creditors, may voluntarily surrender a license or permit to the division. When a license or permit is surrendered the division shall notify the local authority, and the division or the local authority shall refund to the person surrendering the license or permit, a proportionate amount of the fee received by the division or the local authority for the license or permit as follows: if a license or permit is surrendered during the first three months of the period for which it was issued, the refund shall be three-fourths of the amount of the fee; if surrendered more than three months but not more than six months after issuance, the refund shall be one-half of the amount of the fee; if surrendered more than six months but not more than nine months after issuance, the refund shall be one-fourth of the amount of the fee. No refund shall be made, however, for any special ~~liquor~~ permit, ~~nor for a~~ liquor control license, wine permit, or beer permit surrendered more than nine months after issuance. For purposes of this subsection, any portion of license or permit fees used for the purposes authorized in section 331.424, subsection 1, paragraph "a", subparagraphs (1) and (2), and in [section 331.424A](#), shall not be deemed received either by the division or by a local authority. No refund shall be made to any licensee or permittee, upon the surrender of the license or permit, if there is at the time of surrender, a complaint filed with the division or local authority, charging the licensee or permittee with a violation of [this chapter](#). If upon a hearing on a complaint the license or permit is not revoked or suspended, then the licensee or permittee is eligible, upon surrender of the license or permit, to receive a refund as provided in [this section](#), ~~but~~. However, if the license or permit is revoked or suspended upon hearing, the licensee or permittee is not eligible for the refund of any portion of the license or permit fee.

Sec. 7. Section 123.43A, subsection 3, Code 2016, is amended to read as follows:

3. A micro-distillery shall not sell micro-distilled spirits other than as permitted in [this chapter](#) and shall not allow micro-distilled spirits sold to be consumed upon

the premises of the micro-distillery. However, as a part of a micro-distillery tour, micro-distilled spirits ~~of no more than two ounces per person per day~~ may be tasted pursuant to the rules of the division on the premises where fermented, distilled, or matured, when no charge is made for the tasting.

Sec. 8. Section 123.56, subsections 2 and 6, Code 2016, are amended to read as follows:

2. Native wine may be sold at retail for off-premises consumption when sold on the premises of the manufacturer, or in a retail establishment operated by the manufacturer. Sales may also be made to class "A" or retail wine permittees or liquor control licensees as authorized by the class "A" wine permit. A manufacturer of native wines shall not sell the wines other than as permitted in this chapter and shall not allow wine sold to be consumed upon the premises of the manufacturer. However, prior to sale, native wines may be tasted pursuant to the rules of the division on the premises where made, when no charge is made for the tasting. ~~A person may manufacture native wine for consumption on the manufacturer's premises, when the wine or any part of it is not manufactured for sale.~~

6. Notwithstanding any other provision of this chapter, a person employed by a manufacturer of native wine holding a class "A" native wine permittee permit may be employed by a brewery with a class "A" native beer permit provided the person has no ownership interest in either licensed premises.

Sec. 9. Section 123.92, subsection 2, paragraph a, Code 2016, is amended to read as follows:

a. Every liquor control licensee ~~and~~ class "B" beer permittee, and class "C" native wine permittee, except a class "E" liquor control licensee, shall furnish proof of financial responsibility by the existence of a liability insurance policy in an amount determined by the division. If an insurer provides dramshop liability insurance at a new location to a licensee or permittee who has a positive loss experience at other locations for which such insurance is provided by the insurer, and the insurer bases premium rates at the new location on the negative loss history of the previous licensee or permittee at that location, the insurer shall examine and

consider adjusting the premium for the new location not less than thirty months after the insurance is issued, based on the loss experience of the licensee or permittee at that location during that thirty-month period of time.

Sec. 10. Section 123.171, Code 2016, is amended to read as follows:

**123.171 Wine certificate, permit, or license required — exception for personal use.**

1. A person shall not cause the manufacture, importation, or sale of wine in this state unless a certificate or permit as provided in [this subchapter](#), or a liquor control license as provided in [subchapter I of this chapter](#), is first obtained which authorizes that manufacture, importation, or sale.

2. Any person of legal age may manufacture wine for personal use without a class "A" wine permit, subject to the requirements of this subsection. Such wine may be consumed on the premises or removed from the premises where it was manufactured only if the wine is not sold, exchanged, bartered, dispensed, or given in consideration of purchase for any property or services or in evasion of the requirements of this chapter.

Sec. 11. Section 123.173, subsection 2, Code 2016, is amended to read as follows:

2. A class "A" wine permit allows the holder to manufacture and sell, or sell at wholesale, in this state, wine ~~as defined in [section 123.3, subsection 47](#)~~. The holder of a class "A" wine permit may manufacture in this state wine having an alcoholic content greater than seventeen percent by weight or twenty-one and twenty-five hundredths percent of alcohol by volume for shipment outside this state. All class "A" premises shall be located within the state. A class "B" or class "B" native wine permit allows the holder to sell wine at retail for consumption off the premises. A class "B" or class "B" native wine permittee who also holds a class "E" liquor control license may sell wine to class "A", class "B", ~~and class "C"~~, and special class "C" liquor control licensees for resale for consumption on the premises. Such wine sales shall be in quantities of less than one case of any wine brand but not more than one such sale shall be made to the same liquor control

licensee in a twenty-four-hour period. A class "B" or class "B" native wine permittee shall not sell wine to other class "B" or class "B" native wine permittees. A class "C" native wine permit allows the holder to sell wine for consumption on or off the premises.

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PAM JOCHUM  
President of the Senate

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LINDA UPMEYER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2151, Eighty-sixth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2016

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TERRY E. BRANSTAD  
Governor